

## Exemption for Vehicles and Trailers Used in Interstate Commerce

Sales &  
Use tax  
notice  
#04-25

### [Public Chapter 924 \(2004\)](#)

Effective June 7, 2004, Public Chapter 924 amends Tenn. Code Ann. Section 67-6-331 relative to the sales and use tax exemption on the purchase of vehicles used in interstate commerce.

Transfers of certain motor vehicles and trailers for use in interstate commerce are exempt from sales and use tax under Tenn. Code Ann. Section 67-6-331. To receive the benefit of this exemption, a motor vehicle must meet all of the following statutory requirements:

- (1) Have a Gross Vehicle Weight Rating (GVWR) of a Class 3 or above (greater than 16,000 lbs.);
- (2) Must be used to transport passengers or cargo;
- (3) Be used principally (more than 50%) in interstate or foreign commerce; and
- (4) Be used by a common carrier or contract carrier holding authority granted by the federal government or other state regulatory agency. (To comply with this requirement, the vehicle must be registered with the International Registration Program; and/or have an operating certificate issued by the Interstate Commerce Commission, the Federal Highway Administration or the Federal Motor Carrier Safety Administration; or be hauling exempt agricultural commodities as defined by federal law.)

Trailers, semi-trailers, and pole-trailers with appropriate motor vehicle registration also qualify for the exemption if they meet the requirements listed in 2 and 3 above.

Persons who use the vehicle or trailer to transport their own cargo or passengers and do not provide transportation services for a fee, and whose motor vehicle or trailer meets the requirements listed are eligible for the exemption.

Once these requirements have been met, the owner or lessee must complete the department's Application for Sales Tax Exemption for Interstate Commerce Motor Vehicles and Trailers. When completing the application, a copy of the operating certificate must be attached if applicable. If the vehicle is leased, a copy of the agreement between the owner and the lessee must be attached to the application.

If you have any questions about this notice, you may contact the department. Tennessee residents outside the Nashville calling area may call our statewide toll-free number at (800) 342-1003. Callers from Nashville or out-of-state may dial (615) 253-0600. You can access additional information on our Web site at [www.Tennessee.gov/revenue](http://www.Tennessee.gov/revenue).

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